

Contemporary Responses to the Criticism of Islamic Banks in Malaysia

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Abstract--The rapid growth of Islamic banks has become a focus of all investors and consumers. Malaysia has put in a lot of effort to develop and gather acceptance from all citizens of the country for Islamic banking. Hence, throughout the sector's expansion, there have been several critics, such as *shariah* scholars, investors, and consumers. For instance; a lack of *shariah* experts in both economics and *shariah* itself, interest rates as benchmark, similarities with conventional banks etc. As the Malaysian Islamic banking system is growing and expanding, as are its critics. Therefore, the main purpose of this study to provide adequate arguments on the contemporary criticisms and challenges being

faced by Islamic banks in Malaysia. This study has adopted a qualitative approach; conducting semi-structured interviews and observations. The findings recognised *shariah* compliancy, interest rates as a benchmark, and a lack of *shariah* scholars are the most pertinent current issues for Islamic banks in Malaysia. Through the supports of scholars, policy makers, and consumers, these issues can be resolved over time with Islamic finance literacy. The outcome of this study may benefit policy makers, investors, Muslim consumers, as well as stakeholders of Islamic banking and finance.

Keywords: Issues and challenges, criticisms, Islamic banks, Islamic banking and finance, Malaysia

I. INTRODUCTION

Islamic banking is defined as a banking system which is in consonance with the spirit, ethos, and value system of Islam and governed by the principles based on Islamic law (*Shariah*) (Kunhibava, 2012; Mustafa, 2019). As a consequence, justice and fairness are the core institutional pillars of Islamic law and it's inherent in the legal framework to ensure all activities including economic endeavors are compliant (Arumsari, Wiranatakusuma, & Ahmad, 2018; Mohamed, 2019). Thus, it follows that *shariah*, called *fiqh muamalat* (Islamic rules on transactions), the rules and practices of *fiqh muamalat* are derived from the Quran and Sunnah, as well as other secondary sources of Islamic law such as opinions collectively agreed among *shariah* scholars, analogy, and personal reasoning. Interest free banking is a narrow concept denoting a number of banking instruments or operations which evade interest (Rhanoui & Belkhoutout, 2017; Samad, 2019; Sanyinna & Omar, 2017). Islamic

banking, the more general term, is not only to avoid interest-based transactions banned in Islamic *shariah*, but also to remove unethical and un-social practices along with avoiding the receipt and payment of interest in its transactions and operations (Kunhibava, 2012). In a practical sense, Islamic banking is the transformation of conventional money lending into transactions based on tangible assets and real services and whose operation is based on Islamic principles of transactions of which profit and loss sharing (PLS) is also key feature in Islamic banking, as well as participating in a business with the client as financier in different as financial positions (Lo & Leow, 2014; Samad, 2019). However, Odeduntan and Adewale (2013) reiterated that Islamic banks are steadier than conventional banks in terms of their financial engagements in the current time. The model of an Islamic banking system leads towards the achievement of a system which helps to achieve the objectives of Islamic economic prosperity.

Along with the growth of Islamic banking globally (Aldarabseh, 2019; Rhanoui &

Belkhouout, 2017), the Islamic banking sector has taken further steps in Malaysia by the grace of the Almighty and through the efforts of Malaysian central bank (BNM) (Majid, Samsudin, Laton, & Aziz, 2016). Malaysia is said to be the hub for the Islamic banking industry in the world (Lo & Leow, 2014; Majid et al., 2016). Nowadays, the number of banks is growing, as well as facing challenges and criticisms by the public and policy makers in regards to current Islamic banking practices. Moreover, the rapid growth of the Islamic banking sector worldwide has opened the eyes of policymakers and shareholders in conventional banks (Biancone & Radwan, 2016). In terms of trust and confidence in Islamic banks as compared to conventional banks, it has been found that, though Islamic banks have less liquidity, these banks provide more assurance and confidence to their customers (Rahman, 2019; Biancone & Radwan, 2018). Attention has also been drawn by western countries and the business community from all other faiths. Transactions in Islamic finance and banking are facing challenges in the modern era of technology and economic development. For instance; a lack of qualified Islamic economic expert, particularly those that have both conventional banking and *shariah* background (Supardin, 2020). Furthermore, Islamic banks are criticised for being too similar to conventional banking in Malaysia (Kitamura, 2019). These critiques and issues have been described by consumers and policymakers as well as shareholders, expressing concerns about *shariah* compliance and the interest rate benchmark.

The core objective of this research is to analyse the criticisms and challenges of the current Islamic banking practices in Malaysia which have arose throughout the years. In addition, past research and consumers have also acknowledged the facts and that banks need to deliver effective evidence to ensure the compatibility of current Islamic banking practices are abided by under *shariah* rules and regulations. Nonetheless, to achieve the objective of this paper, there are two questions to be scrutinised. Firstly, how does the Islamic banking industry remain compliant with Islamic knowledge and *shariah* compliance? Secondly, how are Islamic banks going to improve the current practices of the Islamic banking industry to enhance their sustainability?

II. THEORETICAL BACKGROUND

In this paper, two theories are being adopted and discussed to explain the contemporary issues and challenges of current Islamic banking practices. Namely, Islamic banking and finance theory and

the *Tawhidic* paradigm will be discussed. These theories also are facilitated by the authors to provide in-depth knowledge concerning Islamic banking and its current practices.

A. Islamic Banking

Islamic banking is the way of conducting transactions which observes Islamic rules and regulations (Samad, 2019). It is mainly to confirm the eligibility of Islamic norms in transactions (Rhanoui & Belkhouout, 2017). In Malaysia, Islamic banking activities started in the 1980s (Kunhibava, 2012; Lo & Leow, 2014) and the first ever fully fledged Islamic bank was established in 1983, offering Islamic banking products and services (Kunhibava, 2012). However, over time, there have been many Islamic banks established which have started to offer many products. Lately, the introduction of several financial instruments and products have enlarged the market over the years with the refinement of Islamic scholars. These include *Mudarabah* (trust financing), *Murabaha* (trade financing), *Musharakah* (equity financing), *Ijarah* (lease financing), and many other products that are based on several Islamic contracts (Mustafa, 2019). Islamic banking and financial institutions are established based on *shariah* or Islamic rules and regulations. The foundations are initiated from the Holy Scriptures, *fiqh*, and Islamic revealed knowledge (Lo & Leow, 2014; Samad, 2019). Therefore, Islamic banks and financial institutions are strictly constrained to follow a few principles, such as not dealing with interest, illegal goods and services related transactions, activities, and transactions that involve speculations (Rhanoui & Belkhouout, 2017).

B. Tawhidic Paradigm

The Tawhidic paradigm is a paradigm which relates to attaining performance in line with faith (*'aqīdāh*), worship (*'ibādāh*), and ethics (*akhlāq*) in life as servants and vicegerents of Allah. In daily life, one must earn excellent value that is compounded upon the value of life as servant and vicegerent of Allah in the world and days after death. In addition, the *tawhidic* paradigm brings the fundamental philosophies of Islamic teaching into administrative activities. On the one hand, the Islamic way of life is entrenched in any action as in doing charitable deeds for individuals and society. Furthermore, both tasks, personal interest and collective interest, must be combined as an act of worship to please Allah. While humans can use their cognition to formulate, implement, and evaluate administrative strategy, the revelations from the Quran and the Sunnah of the prophet, PBUH, guide human reasoning. According to Sarif (2014), the *tawhidic* paradigm framework is connected with two dimensions of human life,

which are worldly and the hereafter, in the aspect of all types of decision making, operating business endeavours, and creating new ideas. The author also added that it imitates the application of rationality in expressing, applying, and assessing tactics with the intent to implement the faith as retainer and vicegerent of the Almighty Allah in the highest possible way.

III. LITERATURE REVIEW

The essence of existing literature is to comprehend past studies on issues of Islamic banking, with a concentration on different countries. Islamic banks are profit-oriented associations with the distinction that they lead their undertakings exclusively with the aims of making decisions based on *shariah* and in accordance with its general aims (Kahf, 2005). Islamic banks are not very different from conventional, on the basis of PLS (profit and loss sharing) paradigm (Beck, Demirgüç-kunt, & Merrouche, 2013; Chong & Liu, 2009; Mallin, Farag, & Ow-yong, 2014). Similarly, Majid et al. (2016) posited that the Islamic banking framework is no different than conventional banking in Malaysia. However, there are apparent similarities and differences between both Islamic and conventional banks (Mahmood, 2010). Islamic banks still remain indistinguishable through function and operation from conventional banking (Alam et al., 2019; Khan, 2010).

Islamic banks are different than conventional counterparts in their operations, even though they play a similar role to financial intermediaries that are monitored by *shariah* law (Louhichi, Louati, & Boujelbene, 2019). The contracts that are implemented in Islamic banking products and services differ from conventional structures (Doumpos, Hasan, & Pasiouras, 2017). Interestingly, Khan (2010) found that majority of Islamic banks are impotent to provide *shariah* compliant vehicles. Therefore, they find several *shariah* scholars those are willing to certify controversial instruments as *shariah* compliant. This idea is supported by Ali and Kasim (2019). Successively, bank directors are using *shariah* supervisory boards in order to achieve their objectives and engage in all *shariah* activities which have created a few issues for Islamic banks in Bangladesh (Alam et al., 2019). Although, Islamic banks are solvent in regards to managing risks, since they have good quality assets and sufficient funds (Beck et al., 2013).

Louhichi et al. (2019) outlined that Islamic banks provide many diverse products that are based on profit and loss sharing, and several products are based on mark-up percentage. Indeed, there is an

ongoing debate on interest rates as a mark-up for Islamic debt instruments used by Islamic banks (Ibrahim & Shah, 2012; Waemustafa, 2013) which is not permitted by extant *shariah* scholars (Hermanto, 2018; Samad, 2019). Thus, interest rates are used as benchmark by Islamic banks which known as the rate of return (Majid et al., 2016; Rhanoui & Belkhouout, 2019). Determining the rate of return for Islamic banks is one of the biggest challenges to accommodate in the modern banking system and in Islamic banking system, it is known that the rate of return is PLS-based for depositors. Hence, there is no noteworthy difference between interest rates of conventional banks and the rate of return that Islamic banks pay to their depositors, though Islamic banks are PLS-based (Chong & Liu, 2009; Ito, 2013; Mushtaq & Siddiqui, 2017; Mustafa, 2019). Remarkably, Islamic banks are highly responsive with rates of returns movements for depositors during interest rate hikes (Akhatova, Zainal, & Ibrahim, 2016; Aysan, Disli, Ng, & Ozturk, 2016). Moreover, in Malaysia, a *tawarruq* contract does not fulfil the sale contract requirement (Fa-yusuf & Ndiaye, 2017) and it is a way to bypass interest taking (Bilal & Meera, 2015).

Khan (2010) and Majid et al. (2016) noted that the price of products and services of Islamic banks are higher than conventional banks. Unexpectedly, Naqvi et al. (2017) outlined that there three main features of Islamic banks that initiate a high degree of inter-mediation which are; capitalization, improved liquidity, and better service quality. These findings are supported by a previous study by Shabbir and Rehman (2019), which states that bank employees are not knowledgeable in regards to being responsive when serving customers. Subsequently, Waemustafa (2013) identified that the education of Islamic banking and finance are not expressly provided for clients and staff. Likewise, Majid et al. (2016) found the lack of awareness and knowledge about Islamic finance in Malaysia. It was also found that Islamic banking and finance plays a significant role in economic growth and development in Malaysia (Khaliq & Thaker, 2014).

From past studies, there are two types of criticism laid at the door of the Islamic banking industry. One group criticise constructively and another group destructively (Lone & Ahmad, 2017). In detail, one group offers criticism to improve the industry whereas the other party is very cynical about the Islamic banking industry. In fact, Islamic banks are not charitable institutions but are the institutions that consider the investors' desire through the time value of money and returns on their capital investment align with market variations. A study criticised Islamic economics (Kuran, 2004) as irrelevant to modern economic

challenges, but another study by the same author criticised the concept of Islam (Kuran, 2012). Similarly, Khan (2010) pointed out the extensive discrepancies between ideals and practices of Islamic banking and finance. Khan (2016) made suggestions to improve Islamic banking, making it even more Islamic. Subsequently, it was clear that there are many scholars who aren't clear about the concept, process, and implementation of Islamic banking. Ali et al. (2014) hinted that *shariah* scholars have limited knowledge and experiences over Islamic finance and banking in Bangladesh. In alignment with the idea, Majid et al. (2016) clarified that there is very few knowledgeable and expert people in Islamic finance and banking, supported by Abdul-rahman, Latif, Muda, & Abdullah, 2014; Abosedra & Bernard, 2018; Amin, Abdul-Rahman, & Razak, 2014; Kamil & Iqbal, 2017; Kasim, Sanusi, Mutamimah, & Handoyo, 2013; Rhanoui & Belkhouout, 2017; and Yaacob & Donglah, 2012. Furthermore, an Islamic bank can educate those with a non-Islamic *shariah* background bankers in regards to managing a bank's operations (Ahmed, Manwani, & Ahmed, 2018; Waemustafa, 2013). Dr. Mohd Daud Bakar (the Chairman of the Shariah Advisory Council, Malaysia) noted that *shariah* scholars do not permit digital currency in Islamic finance because they do not understand the concept of digital currencies (Pikri, 2018). As a result, it is difficult for *shariah* supervisory boards to find adequate and expert scholars to guide Islamic banks' operations and activities (Alam et al., 2019). However, there are still instrumental deficient among Islamic banks and institutions in order to adopt crypto currency or digital currency by following *shariah* principles (Chowdhury & Razak, 2019).

IV. METHODOLOGY

This study is descriptive - exploratory and explanatory - in nature. The objective is to employ a qualitative research approach as the key research methodology to have a deeper understanding of the issues connected to the involvement of the improvement of banking services provided by Islamic banks. This study articulates some issues and interviewed two experts from the industry. The first participant is currently serving an Islamic bank as the *shariah* advisor and the second participant is a former Islamic bank employee. Both of the participants are also academic members of respective universities. The study has undertaken an observation at bank premises to observe the banking services of the bank as well. The approach involves the use of detailed observation of the banking services and conducting an intense and/or prolonged contact with participants. This will allow the researcher to gain a holistic overview of the

context under the study and capture data on the perceptions of actors from the inside (Lee, Collier, & Cullen, 2007). To accomplish the objective of the research, an exploratory study has been conducted to help the researcher spell out the understanding of the problem and be able to find out what is happening, to seek new insights, to ask questions, and assess the phenomena in a new light (Saunders, Lewis, & Thornhill, 2007).

V. FINDINGS

A summary of the semi-structured interviews with two Islamic banking practitioners and academics and a previous Islamic banker in Malaysia is presented below (Table 1). The first interviewee is a *shariah* adviser who served in an Islamic bank in Malaysia and the other interviewee is presently serving as an academic member of a reputed university, but he was also an Islamic banker in Malaysia. The findings from the two participants are discussed in this part of the study. From the participants' interview, this study identified four themes in the data which are summarised in the table below:

Table: Summary of findings

Theme	Participant 1	Participant 2	Discussion
<i>Shariah</i> governance structure	Bank Negara Malaysia has offered a structure of a <i>shariah</i> governance framework to ensure the bank practices are compliant with <i>shariah</i> . The government shouldn't see it only from the banking side. If it is Islamic banking and finance, there are many other sides such as <i>Waqf</i> , <i>Zakat</i> , <i>Sadaqah</i> etc. Government should look at those concepts to develop when it is Islamic banking and finance.	Malaysia is very successful because of very good infrastructure, rules and regulations, and the government currently giving very strong support. However, what we want to see is more improvement of Islamic finance; all Islamic finance is mostly contained in conventional system such as contracts, the products concept is more towards a debt concept.	Islamic banks are obliged to follow the rules and regulations that are imposed by Bank Negara Malaysia (BNM). In fact, all Islamic banks are bound to follow the structure and systems that have been introduced by BNM. Therefore, there is no way to adopt any prohibited structures to practice by Islamic banks in Malaysia.
Conventional benchmark	Because conventional banking has dominated the	There is no other benchmark to determine the	In regards to benchmarks, Islamic banks are

	financial system for a long period, Islamic banks are still a new industry in the market. There are a lot of major players in terms of conventional banks and they are experts, whereas Islamic banks are still lacking structuring of the benchmark to determine their pricing and profit rate. There is no other option to follow by the Islamic banks to be acceptable worldwide. However, there could be research about the structure of Islamic banking benchmark.	interest rate. Then again, there are some other concept that exist such as palm oil, gold, <i>Tawarruq</i> etc, all these are based on commodities, but still, the benchmark of commodities is also interest. Now, Islamic bank must find some alternative benchmarks rather than using conventional benchmarks.	required to maintain worldwide transactions and policies. Indeed, the industry is still new in the financial market. Therefore, it is still structuring its own benchmarks to apply in the financial market. In addition, even though there are some products and transactions that are like conventional banks, these are still in alignment with Islamic contracts and rules. Therefore, it is not wise to find the similarities among the products from conventional and Islamic products.
<i>Shariah</i> experts and Islamic finance scholar	Previously, they were limited but with the support and efforts of BNM, it has structured some special universities like INCEIF and research institutions like ISRA to come up with experts in Islamic finance. However, the numbers are still not enough, but it has been increasing recently as some of the universities focus on Islamic financing in more depth. Therefore, many experts	They have to have different scholars in each and every different concept of <i>shariah</i> . Everything can properly work with due respect of <i>Ummah</i> . The definition is very strong. If they find things wrong everything will be wrong. If the right definition can be found, everything should be done the right way. Numbers of Islamic scholars can be improved in this way.	It is observed that some universities and institutions in Malaysia are offering Islamic banking courses and training for students, increasing the number of scholars in the industry, as well as experts. Therefore, the growth of Islamic scholars is not lacking anymore.

Challenges and criticism of Islamic banks	Customer awareness and knowledge of Islamic finance are the challenges of the Islamic banks. There are some things that are necessary to overcome these challenges like trainings, educating the public in the schools from primary level.	The real challenges are that the products look like conventional banking; the lack of Islamic scholars who know about Islamic finance very concisely. In order to overcome those challenges, the government should give full support. In that regard, the government shouldn't see it only from the banking side. If it's Islamic banking and finance, there are many other sides such as <i>Waqf</i> , <i>Zakat</i> , <i>Sadaqah</i> etc. The government should look at those concepts to develop when it is Islamic banking and finance. Islamic banks should come out from the conventional systems as much as they can, and the government should fully support this.	The challenges and criticism of Islamic banking practices are solved slowly. It is noteworthy that there are very few minor criticisms in the market. However, those criticisms can be solved according to the grace of Holy Scriptures and the <i>tawhidic</i> paradigm. Scholars put effort into solving issues and at the same time, provide innovative ideas to tackle the challenges. Moreover, the government also must offer full support to overcome those challenges and lessen the criticism about Islamic banking practice.
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VI. DISCUSSION AND SUGGESTIONS

From the interviews, it is observed that Islamic banks are obliged to follow the rules and regulations that are imposed by Bank Negara Malaysia (BNM). It is also acknowledged that all Islamic banks are obliged to follow the structure and systems that are formulated by BNM(Majid et al., 2016). This finding is supported by Louhichi et al. (2019). Due to this, it would be illegitimate to adopt any prohibited structures to practice Islamic banking in Malaysia. In regards to competition

with conventional banks, Islamic banks can tackle it with innovative products and operational activities (Kitamura, 2019). It is observable that Islamic banks are successful in competing with the existing banking industry. In addition, Islamic banks performed better than conventional banks during a financial crisis (Bitar, Hassan, & Walker, 2017; Doumpos et al., 2017; Ebrahim, Jaafar, Omar, & Salleh, 2016; Li, Ee, Boo, & Rashid, 2016; Louhichi et al., 2019; Narayan, Rizvi, Sakti, & Syarifuddin, 2019). As a result, Islamic banks are growing and conventional banks are also operating Islamic banking branches due its significant performance (Biancone & Radwan, 2018).

Both interviewees admitted that the challenges and criticisms of Islamic banking practices are diminishing slowly. It is noticeable that there are very few minor criticisms in the market. However, those criticisms have been solved by the grace of the Holy Scriptures and *tawhidic* paradigm. Scholars must put their efforts into solving these issues and, at the same time, provide innovative ideas to tackle these challenges. Indeed, *shariah* compliance denotes two types of perspectives; conservative and moderate ways obligated to involve in Islamic financial activities (Hermanto, 2018). Also, in regards to benchmarks, Islamic banks are required to maintain worldwide transactions and policies. Certainly, the industry is still new in the financial market. Hence, it is still working to structure its own benchmark to apply in the financial market. Even though there are some products and transactions that are like conventional banks, those are still in alignment with Islamic contracts and rules. This enables Malaysian Muslims to use modern banking systems under an Islamic umbrella (Kitamura, 2019). In this scenario, Islamic banks put maximum effort into maintaining their *shariah* policies through banking activities.

Islamic banking and finance has a lack of qualified Islamic economic experts who have an integrated modern banking and *shariah* background (Supardin, 2020). In regards to the scarcity of knowledgeable, *shariah* scholars, the interviewees noted that universities and institutions in Malaysia are offering Islamic banking courses and training for students. As a result, there is potential for development in *shariah* related human capital in Malaysia. Not to mention, the interviewees agreed with the challenges of insufficient innovative products, talent, and slow adoption of financial technologies facing Islamic banks, as also supported by Majid et al.(2016). Though some of the Islamic banks are using financial technology (fintech) currently, several banks are unable to adopt innovations due to high costs. Moreover, the response to fintech by Islamic banks is slow,

notwithstanding their comprehension of the potential impact (Ali, Abdullah, & Zaini, 2019). Therefore, it is a huge challenge for Islamic banks that are not able to adopt financial technology across the board.

Surprisingly, the reflective part of the observation identified both the strengths and weaknesses of the banks. As a customer, we never realize how to respond from an employee's perspective. As an observer, we saw from both sides. This study observed that the service quality needs to be improved by the Islamic banks especially behavior, approach, and professionalism towards customers. In several discussions, the service quality is observed to be not up to mark (M. Ali & Raza, 2015; Kunhibava, Linga, & Ruslan, 2018; Sukmana & Ibrahim, 2017). Moreover, banks must provide sufficient information in regards to all products and services offered (Amin, 2019). According to Ali and Raza (2015), a lot of services need to follow the model of conventional banks in terms of business model, customer satisfaction, and efficiency (see also, Sanyinna & Omar, 2017). However, in some situations, it is questionable whether the business model is Islamic or conventional due to similar forms and computation. Service quality has no issue with compliance; therefore, bank directors and managers are required to train and educate employees to serve customer with professionalism.

VII. CONCLUSION AND RECOMMENDATIONS

Religious names and concepts are very sensitive when they are used in practice. The first issue arises with regard to the compliance of implementing the concept of *sharia* into the practical world, based on *shariah* rules and regulations and using Islam in a commercial perspective (Rhanoui & Belkhoutout, 2017). It is crucial nowadays to be compliant, since critics are keen to point out the compliance of *shariah* in application to Islamic banking industries. Islamic banks are trying to offer distinct products and services as well as working to Islamise conventional banking operations in order to be competitive in the market. However, the practical issues of the Islamic banking industry are the key factor to find the reliability for Muslim *ummah* (Sanyinna & Omar, 2017). According to the interview data, both of our respondents admitted the reliability of Islamic banking and its practices are in line with Islamic knowledge. Islamic finance and banking refers to *shariah* compliant financial transactions. Adding to it, the products and services that are offered by Islamic banks do not contain any prohibited practices or conditions that are

inconsistent with Islamic principles and laws. There are some products or services that are offered by Islamic banks which are similar to conventional banks' products, but it does not relate to the repealing the Islamic norms and regulations (Mustafa, 2019). Those concepts are adopted from the current practices of conventional banking that and have been analysed by Islamic jurists to evaluate the compliance of Islamic rules so that they don't contain any forbidden concepts.

Islamic Banks are indeed providing an immense service to the Muslim *Ummah* while competing with conventional giants in an environment where all infrastructures has been tailor-made for the latter. Just as other banks are profit-making, Islamic banks also exist to make profit but in accordance with *shariah*. Someone may perceive this profit motive as an un-Islamic approach, however these profits are not un-Islamic and Islamic banks purify their income with *Zakat* and charitable activities, just as other businesses do. Even though the Islamic finance and banking industry is littered with plenty of criticism and allegations, its progress is an important and notable factor and, as in every industry, there will be pros

and cons, but as Muslims there is a duty to protect the industry. One can use his academic writing and oration abilities to criticise the practices of the Islamic banking and finance industry as un-Islamic, but it does not contribute to society, rather it will distance *Ummah* from the industry and they will continue to use interest-based finance. Despite critiques about the industry, scholars and orators should come up with solutions which will encourage Islamic banks to be more Islamic and compliant.

The findings recommend that future researchers explore the Islamic banking system and whether it can be a viable, unique alternative to the conventional banking system. Also, the findings of this study point in a direction to investigate the way to develop Islamic banking systems to be more competitive, with significant and workable products and services that are compliant with Islamic principles. Finally, this study can contribute to future study as part of literature reviews as positive views on Islamic banking and finance and its acceptability as Islamic compliant financial system.

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